

**SONOMA CLEAN POWER AUTHORITY**  
**REQUEST FOR PROPOSALS**

**FOR**

**SHAPED ENERGY, RENEWABLE ENERGY,  
RESOURCE ADEQUACY CAPACITY AND DATA  
MANAGEMENT/CUSTOMER SERVICES**

**RFP RELEASE DATE: February 22, 2013**

**RESPONSE DEADLINE: April 5, 2013**

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## Overview

The Sonoma Clean Power Authority ("SCPA") is seeking proposals for electric power supply services to serve retail electric customers who will participate in a Community Choice Aggregation ("CCA") Program ("CCA Program" or "Program") promoting the use of renewable energy to serve participating communities in Sonoma County, California. The SCPA refers to this CCA Program as Sonoma Clean Power ("SCP").

SCPA, a joint powers authority and a public entity organized under the laws of the State of California, was created pursuant to the Government Code of California and a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs on behalf of its membership. Membership in SCPA includes the County of Sonoma and the Sonoma County Water Agency ("Member Agencies" or "Members"), but the Joint Powers Agreement also contemplates the participation in SCP of eight cities within Sonoma County: Santa Rosa, Petaluma, Rohnert Park, Windsor, Sonoma, Sebastopol, Cotati, and Cloverdale.

The Member Agencies have each adopted an ordinance electing to implement through the SCPA CCA an electric service enterprise agency available to cities and counties pursuant to California Public Utilities Code Section 366.2.

By implementing SCP, SCPA aspires to provide a highly renewable power supply to its customers through two distinct electric service offerings/products: 1) The standard tariff will include a 33% (or greater) renewable power supply with retail generation rates competitive with rates charged by the incumbent electric utility, Pacific Gas & Electric Company ("PG&E"); and 2) a voluntary 100% renewable energy tariff with potentially higher retail generation rates. These two distinct electric service offerings/products are described in additional detail within the draft Implementation Plan which is available on SCPA's website. Prospective respondents should keep these two electric service offerings/products in mind when developing proposals, as these electric service offerings/products are critical to the achievement of SCPA's expressed objectives.

Through this RFP process, SCPA is seeking proposals to reliably meet the electric supply and operational requirements of a CCA Program serving the region with a substantially renewable supply portfolio and aggressive energy efficiency program, potentially leveraging SCPA's capability as a public agency to utilize tax-exempt financing to reduce total power costs for customers. Proposals are requested for services commencing in January 2014. The RFP seeks proposals for

one or more of the following services: the supply of Energy, Renewable Energy, Capacity and Scheduling Services (“Energy Products”), Energy Efficiency, Demand Response, Net Energy Metering and Feed-in Tariff (“Demand-Side Services”), and data management/customer services (“Data Manager Services”) necessary for operation of the SCP Program.

At full enrollment, total potential peak demand for the load aggregation program is projected to be approximately 355 MW, total potential annual energy requirements are projected to be approximately 2,000 GWh, and total potential retail service accounts are projected to be approximately 176,000. This assumes that eventually all cities in Sonoma County (except Healdsburg) elect to participate in SCP and that 20% of PG&E bundled service customer load elects to opt-out of the SCP Program and remain with PG&E. Respondents selected for consideration through this RFP will have the opportunity to update their proposals following finalization of the initial SCP membership and refinement of initial customer enrollment projections and contract volumes.

SCPA will be utilizing responses to this RFP to select qualified suppliers for SCP and to ascertain the cost and availability of renewable energy sources and other services needed to supply SCP. SCPA anticipates a phased deployment of the SCP Program, and pricing provided in response to this RFP will be used to finalize the product offering(s) to SCP customers and the phase-in schedule for customer enrollment. Respondents selected for short-list consideration will be provided with final volume estimates and given an opportunity to update prices prior to final supplier selection expected in the summer of 2013.

Respondents proposing to supply Energy Products *must* bid in accordance with the two pricing variations that are described in the Proposal Requirements, and Energy Product bids must include all specified products. Energy Product bids may include proposals for Demand-Side Resources and are encouraged to do so. Standalone proposals for Demand-Side Resources are not being sought at this time. One or more suppliers may be selected to provide the requested Energy Products. Proposals for Data Manager Services may be provided independently of proposals for Energy Products.

The RFP will be conducted in accordance with the schedule set forth below. Final supplier selection will be contingent upon SCPA Board authorization to proceed with the CCA Program.

## **RFP Schedule**

Release RFP	February 22, 2013
Pre- Proposal Meeting	March 1, 2013
Deadline for Question Submittal	March 15, 2013
Responses Due	April 5, 2013
Notification of Short List	April 19, 2013
Short List Interviews	April 26, 2013
Finalize SCP Enrollment	July 19, 2013
Best and Final Offer	July 26, 2013
Begin Contract Negotiations	August 2, 2013
Contract Approval and Execution	October 4, 2013

## **SCPA Background**

Beginning in 2010, the Sonoma County Water Agency began investigating formation of a CCA Program, with the following primary objectives: 1) promoting use of renewable energy resources; 2) reducing emissions of greenhouse gases related to electricity use in the region; 3) promoting energy efficiency; 4) creating local economic benefits; and 5) promoting the installation of renewable energy within the County. A feasibility study for a CCA Program was completed in October 2011, and an independent review of the feasibility study was completed concurrently.

After nearly a year of collaborative work by representatives of the Member Agencies, cities and towns, independent consultants, local experts and stakeholders, the Sonoma County Water Agency released a draft implementation plan in October 2012 describing the planned organization, governance and operation of SCP. Consistent with the draft implementation plan's described organizational structure, the SCPA was formed in December 2012 to implement SCP and other energy-related programs. As described in the draft implementation plan and consistent with the laws and regulations governing CCAs, all current PG&E electric customers within the SCPA jurisdictional boundaries will be automatically enrolled in the SCP Program and served by SCPA, except for those customers who affirmatively elect to "opt-out" of the Program and remain bundled service customers of PG&E. PG&E will continue to provide distribution, metering, and billing services to SCPA customers.

Through the implementation of SCP, SCPA plans to expand the energy choices available to eligible customers by offering a voluntary 100% renewable energy product option in addition to the standard tariff 33% renewable energy (default)

option. All customers will have the choice of purchasing 100% renewable energy through SCPA, 33% renewable energy through SCPA, or exercising their right to opt-out of the Program to continue to purchase the standard resource mix offered by PG&E. SCPA has a near-term goal to increase the standard tariff option to 50% renewable energy and a long-term goal to supply its customers entirely with clean, renewable energy, subject to economic and operational constraints. SCPA desires to promote development and use of local renewable energy resources to the greatest practical extent, improve energy efficiency in the region and promote local economic development.

SCPA also anticipates providing larger business and commercial customers with rate options that are customized to match load characteristics and risk profiles of those customers. This will allow these customers to have access to “direct-access-like” products, and potentially reduce their overall power costs below those currently experienced with PG&E.

SCPA and its future customers expect that retail rates associated with the standard tariff option will be competitive with comparable rates charged by PG&E. Rates associated with the voluntary 100% renewable energy option may exceed comparable rates charged by PG&E based on actual renewable energy procurement costs used to supply this product.

SCPA is seeking a reliable electric supply, including specified quantities of renewable energy, for an anticipated initial 3-year term. During this initial term, SCPA may be identifying, developing, or acquiring rights to renewable energy facilities that will ultimately meet some portion of SCPA’s renewable energy requirements. To the extent that SCPA identifies, develops, or controls one or more commercially operable renewable energy facilities during the initial term, SCPA will require the selected energy service provider(s) to effectively integrate/substitute electric energy produced by such facilities in the Program’s energy supply portfolio, subject to reasonable terms for disposition of any hedging costs incurred by the supplier. SCPA anticipates future solicitations will be issued for renewable energy through facility ownership or power purchase agreements with ownership options.

Additional information about the Sonoma Clean Power Authority can be found at [www.scwa.ca.gov/cca](http://www.scwa.ca.gov/cca).

## **Requested Products and Services**

The energy supply services being requested under this solicitation are described below.

## **1. *Energy Products***

The requested Energy Product comprises:

- 1) Shaped Energy - all electric energy requirements associated with the customer accounts that are served by SCP. The supplier will be obligated to deliver energy in quantities sufficient to meet the needs of participating customers based on data obtained from the meter readings supplied by PG&E who will be the distribution utility serving SCP customers. The supplier shall be responsible for delivering the energy to the PG&E Load Aggregation Point ("Delivery Point") as defined by the California Independent System Operator (CAISO). The supplier shall shape energy deliveries to match the hourly load profile of SCP.
- 2) Ancillary Services - all ancillary services required in supplying the Shaped Energy to the Delivery Point. Ancillary Services shall include all reserves and other such services required by the CAISO.
- 3) Distribution Losses - all distribution losses incurred in supplying the Shaped Energy to the Delivery Point. Distribution losses shall be determined in accordance with the distribution loss factors published by PG&E.
- 4) CAISO Scheduling Coordination - all CAISO interface services, which includes the filing with the CAISO of all schedules and meter data reports required to be filed by the Scheduling Coordinator for the meters enrolled in the Program, and the submission of schedules, bids, and other required information for the Shaped Energy, Resource Adequacy Capacity, and Renewable Energy in accordance with the obligations of a Scheduling Coordinator as defined by the CAISO.
- 5) Resource Adequacy Capacity - SCPA seeks proposals that include Qualifying Capacity needed to satisfy the SCPA's Resource Adequacy Requirements ("RAR") for both CAISO System (NP 15) and Local RAR resources. Qualifying Capacity will be determined by the most recent CAISO rating of generating units for resource adequacy purposes and include any flexible capacity attributes. System RAR capacity is needed to meet 115% of the SCPA forecast monthly peak demand ("MW"). A portion of the Capacity supplied shall qualify as Local Capacity in quantities sufficient to satisfy the Local Resource Adequacy Requirements applicable to SCPA. Local RAR capacity is required for the PG&E "Greater Bay Area" and the "Other PG&E" local capacity areas.
- 6) Renewable Energy - SCPA seeks proposals that include energy and renewable attributes from qualifying renewable resources that meet the eligibility criteria for renewable resources ("Eligible Renewable Resources") published by the

California Energy Commission (“CEC”) for the Renewable Portfolio Standards (“RPS”) program. These generally include power and renewable energy certificates from qualifying wind, small hydroelectric (30 MW or less), geothermal, biogas including landfill gas, digester gases and gas conversion or gasification technologies, direct combustion biomass, biodiesel power producing facilities, photovoltaic, solar thermal, fuel cells using eligible renewable fuels, qualifying municipal solid waste conversion, tidal current, ocean wave, and ocean thermal technology.

SCPA has a need for Renewable Energy to meet its RPS obligations (“Compliance Renewable Energy”) and Renewable Energy to meet its own renewable energy content requirements (“Voluntary Renewable Energy”). SCPA requires Compliance Renewable Energy that meets all requirements of the RPS, including the SB1X categorical limitations on use of shaped and firming (“Bucket 2”) and unbundled Renewable Energy Certificates (RECs) (“Bucket 3”). SCPA requires Voluntary Renewable Energy to supplement the Compliance Renewable Energy in order to achieve an overall initial 33% renewable energy content for the standard tariff product and 100% renewable energy content for the voluntary renewable energy product. Voluntary renewable energy may be met with unbundled RECs from Eligible Renewable Resources (i.e., Bucket 3). SCPA plans to increase the Renewable Energy content of its standard tariff product to at least 50% by 2018 as indicated in Table 3 under Minimum Renewable Portfolio Requirements below.

SCPA has a strong preference for Local Renewable Resources but may also consider limited, incremental purchases of energy and renewable attributes from remote renewable resources. For purposes of this solicitation, *Local* renewable resources are defined as those resources located within Sonoma County’s borders. Local resources will be scored with the highest possible point rating. *Regional* renewable resources are defined as resources located outside of Sonoma County but within the Northern California CAISO Zone NP 15, including all counties within this region as well as portions of Monterey, San Benito, Fresno, Tulare, and Inyo counties. Regional resources will receive evaluative preference (i.e., higher point ratings) based on relative proximity to Sonoma County. Other renewable resources, which include resources not previously defined as Local or Regional, may be proposed in response to this solicitation but will receive reduced point ratings in consideration of the relative proximity of such resources to Sonoma County. Proposed power supplies that include Local Renewable Resources will be given preference over those containing remotely located resources as described in the Evaluation Criteria, below.



## **2. *Data Management and Customer Services***

SCP seeks proposals for Data Manager Services to support SCP's customer enrollment, billing, and customer services activities. Data Manager Services may be offered in conjunction with, or independent of, proposals for supply of Energy Products.

Data Manager Services include the following:

1) Electronic Data Exchange Services - Receive CCA Service Requests ("CCASRs") from the local distribution utility ("LDC" or "PG&E") which specify the changes to a SCP customer's account status such as a rate class change or opening/closing of an account. (814 Electronic Data Interchange Files).

Obtain customer usage data from the LDC's MDMA server (867 Electronic Data Interchange Files).

Communicate the amount to be billed by the LDC for services provided by SCP (810 Electronic Data Interchange Files).

Receive payment transactions toward SCP charges from the LDC after payment is received by the LDC from customers (820 Electronic Data interchange Files).

2) Customer Information System - Maintain a customer database of all SCP customers and identify each customer's enrollment status, payment, and collection status.

3) Customer Call Center - Staff a call center between the hours of 8 AM and 5 PM Pacific Time, Monday through Friday, excluding LDC holidays, with additional coverage available during customer enrollment periods.

Receive calls from SCP customers referred to Data Manager by the LDC and receive calls from SCP customers choosing to contact Data Manager directly without referral from the LDC.

Provide a contact telephone number on the LDC invoice that would allow SCP customers to contact Data Manager directly.

Respond to telephone inquiries from SCP customers using a script developed by SCP. For questions not addressed by the script, refer inquiries either back to the LDC or to SCP.

Respond to customer inquiries within 8 business hours or less. Inquiries would be received either through telephone calls, internet chat, or email.

4) Billing Administration - Maintain a table of rate schedules, provided by SCP, and calculate bills.

Apply LDC account usage against applicable rate.

Review application of SCP rates to LDC accounts to ensure that the proper rates are applied to the accounts.

Provide timely billing information to the LDC to meet the LDC billing window.

Use commercially reasonable efforts to remedy billing errors in a timely manner, within no more than two billing cycles.

5) Reporting - Prepare various reports required by SCP including the following:

Daily and monthly report of billing information (usage, amount, customer information, etc).

Daily and monthly report of payment transactions received.

Weekly report of delinquent accounts.

Weekly report of exceptions (usage delayed, usage received but unbilled, usage gaps, etc).

Weekly report of accounts added and dropped.

Monthly report of billing error rate.

Monthly report of billing timeliness.

Monthly report to SCP that indicates the number of customer call center inquiries received, the average time required to respond to the inquiry and the percentage of issues resolved per inquiry.

Other reports as may be specified by SCP.

6) Settlement Quality Meter Data - Data Manager shall provide SCP or its designated Scheduling Coordinator with Settlement Quality Meter Data ("SQMD") as required by the CAISO.

### **3. Demand-Side Resources**

SCP encourages Energy Product respondents to include Demand-Side Resources in the proposed power supply plan. SCP will give preference (through response scoring) to Energy Product proposals that include Demand-Side Resources to those that solely rely on traditional supply side resources.

1) Energy Efficiency - Consistent with its Implementation Plan, a key focus of SCPA's Program will be the development and implementation of an Energy Efficiency program for SCP customers. The annual load forecast, presented in Table 1 of the attached Excel workbook ("SCPA Bid Workbook"), reflects Energy Efficiency ("EE") penetration within the SCP potential service area. In general, SCPA plans to achieve EE savings through an internally administered EE program or through an EE program proposed and administered by one or more respondents. These savings will supplement or replace EE achieved through programs administered by the incumbent utility, which are funded by ratepayers through utility non-generation charges. To promote SCPA's achievement of EE savings, SCPA strongly encourages prospective respondents to propose creative solutions that will allow SCPA to maximize EE within its potential service area. Such proposals may include structural recommendations for SCPA's EE program, specific EE enhancements that will promote savings within the potential service area, financing proposals that will utilize/leverage SCPA's tax-exempt borrowing capabilities or other state or federal grant programs and/or professional services related to the administration of SCPA's EE program as well as other programmatic elements.

2) Demand Response - SCP is interested in the establishment of a Demand Response ("DR") program for larger users in its potential service territory. SCPA strongly encourages prospective respondents to propose creative solutions that will allow SCPA to maximize DR within its potential service area. Such proposals may include structural recommendations for SCPA's DR program, specific DR enhancements that will promote savings within the potential service area and/or professional services related to the administration of SCPA's DR program as well as other programmatic elements.

3) Net Energy Metering - SCP is interested in the establishment of a Net Energy Metering ("NEM") program for qualified customers in their service territory. SCPA strongly encourages prospective respondents to propose creative solutions that will allow SCP to maximize NEM within its potential service area. Such proposals may include structural recommendations for SCP's NEM program, specific NEM enhancements that will promote adoption within the service area and/or professional services related to the administration of SCP's NEM program as well as other programmatic elements.

4) Feed in Tariff - SCP is interested in the establishment of a Feed in Tariff ("FIT") program for qualified customers in its potential service territory. SCPA strongly encourages prospective respondents to propose creative solutions that will allow SCP to maximize the development of renewable energy resources taking advantage of FIT within its service area. Such proposals may include structural recommendations for SCP's FIT program, specific FIT enhancements that will promote the development of renewable energy resources within the SCP service area and/or professional services related to the administration of SCP's FIT program as well as other programmatic elements.

#### **4. *Program Start-up Services***

The selected Energy Product supplier will be required to participate in the SCP Program start-up stage leading up to commencement of energy deliveries to SCP customers. Participation will include in-kind assistance with start-up activities or funding of such activities. The startup stage is anticipated to last approximately six months and includes the following activities:

- Program management
- Communications and marketing
- Regulatory interface and compliance
- California Public Utilities Commission ("CPUC") registration
- Utility interface and service initiation
- Customer notices and opt out processing
- Load analysis and forecasting
- Rate setting and financial management

It is estimated that \$2,500,000 will be required to fund the Program from the time the implementation plan is approved until the beginning of service to customers (6 months). These funds are intended to cover initial staff costs, marketing, consultants, interface with PG&E, and any bonding required by the CPUC. Prospective respondents are encouraged to propose a mechanism for funding these costs or providing in-kind services (e.g., staff assistance) to reduce SCP's need for external start-up funding.

SCP estimates that \$6,500,000 of bridge funding will be needed to cover the estimated initial cost of energy provided to customers prior to the collection of rates and customer payments from PG&E under typical wholesale power payment timelines. SCP will give preference to proposals that synchronize the supplier payments with SCP's revenue cycle to reduce or eliminate the need for bridge funding. Specifically, SCP will give preference to proposals that include

an invoicing timeline that provides for payment for energy deliveries made during the month to be due no sooner than 50 days following the end of the month.

Prospective respondents are strongly encouraged to submit financing packages that provide options for procuring start-up and bridge funding or for eliminating the need for external funding sources.

## **Delivery Term**

SCP is requesting a three year service term beginning January 1, 2014 through December 31, 2016. Longer-term proposals will be considered.

## **Proposal Requirements**

All proposals must adhere to the following requirements in order to be considered for selection:

1. Respondents offering to provide Energy Products must be certified by CAISO as a Scheduling Coordinator, or must put forward a certified Scheduling Coordinator that will be responsible for scheduling loads and resources under the proposal. If the respondent is not a certified CAISO Scheduling Coordinator and will be putting forward a third-party to serve in this capacity, SCPA will require these respondents to submit proposals that are co-signed by the anticipated Scheduling Coordinator, verifying the intended business relationship and the anticipated scope of services to be provided.
2. Energy Product proposals must describe the proposed sources of power supply, including resources that will be used to fulfill the renewable portfolio standards requirements and the resource adequacy reserves in compliance with the CPUC's and/or CAISO's resource adequacy standards. Proposals must describe whether electricity would be provided from generation owned by the respondent, obtained under long-term contracts, obtained under short-term contracts and spot market purchases, and/or provided from generation developed by the respondent and owned by SCPA. Sufficient information regarding resource type and location must be provided to determine whether the resources qualify to meet the RPS.

3. Proposals must include a description of the proposed invoicing process, including timelines for when payments would be due to the supplier for electricity purchases by SCPA.
4. All Energy Product proposals must include pricing for Variation 1 or Variation 2 as specified below. Pricing proposals for Variation 3 are strongly encouraged but are not required.
5. For all renewable energy purchased by SCPA, the supplier shall provide monthly all Environmental Attributes and Renewable Energy Certificates, evidencing that SCPA has exclusive rights to the Environmental Attributes/Renewable Energy Certificates. All Renewable Energy Certificates must be transferred through the Western Renewable Energy Generation Information System.
6. Proposals must address a minimum term length of three years, commencing on January 1, 2014 and concluding on December 31, 2016; longer contract terms will be accepted.
7. All proposals must indicate the date after which the offered prices are no longer valid and subject to re-pricing.
8. Energy Product proposals must accommodate and include proposed terms for the integration/substitution of electric energy produced by renewable generating facilities owned and/or controlled by SCPA.
9. SCPA reserves the right to negotiate with any bidder and to engage in simultaneous negotiations with multiple bidders.
10. Proposals for Data Manager Services shall specify pricing as a combination of fixed monthly fees and monthly per account fees.
11. SCPA reserves the right to reject all responses related hereto.

### ***Energy Product Pricing Variation 1 – Fixed Price Load Following***

1. Prices must be all-inclusive, except for distribution losses, which shall be charged based on actual distribution loss factors published by PG&E. The offered price shall include, without limitation, costs associated with delivering Shaped Energy and Renewable Energy to the Delivery Point, transmission congestion, capacity, reserves, ancillary services, independent system operator fees, scheduling fees, and imbalances charges.
2. Respondents shall provide separate pricing for both the standard tariff (minimum initial 33% renewable power supply) and the voluntary (100% renewable power supply) products/rate options. Prices for the standard tariff product should include the following renewable energy composition by year: 2014 33%, 2015 35%, 2016 40%. Prices should include a separate cents per kWh premium for SCP to optionally increase the standard tariff mix to 50% renewable energy.
3. All pricing proposals for Variation 1 must state fixed prices per kWh for each of the seven customer classes set forth in Table 1 and for all customer classes combined. Prices must be offered for fixed price terms of one, two, and three years.
4. Prices must be provided for each year from 2014 through 2016. Prices may optionally be provided for terms beyond 2016.
5. Pricing proposals for Variation 1 must be applicable to the actual Energy Requirements of the customer base that ultimately enrolls in the Program and must not include volume-based adjustments.
6. All responses for Variation 1 must include a proposal that conforms to Sample Bid Form A.

### ***Energy Product Pricing Variation 2 – Fixed Price Shaped Volumes***

1. Pricing proposals for Shaped Energy must be based on the monthly/hourly load shape(s) in Tables 4 and 9 of the SCPA Bid Workbook, and must offer fixed prices per kWh for each of the seven customer classes and for all customer classes combined. Shaped Energy prices must be offered for fixed price terms of one, two, and three years. Fixed prices shall apply to the monthly volumes shown in Table 4 of the SCPA Bid Workbook. SCP energy requirements that are above or below the fixed monthly volumes shall be

priced at the load-weighted average of hourly day-ahead CAISO prices for the PG&E Load Aggregation Point during the month.

2. Ancillary services costs and other charges assessed by the CAISO shall be directly passed through to SCPA with no markup. Proposals must include a good faith estimate of these costs on a cents per kWh basis.
3. Resource adequacy pricing shall specify the \$/KW-month for system RAR capacity and local RAR capacity. Fixed prices shall apply to the monthly RAR quantities shown in Table 7 of the SCPA Bid Workbook. SCP RAR requirements that are above or below the fixed monthly volumes shall be priced at prevailing market prices for RAR capacity during the month.
4. Renewable energy pricing shall specify the cents per kWh premium, relative to the Shaped Energy price, for Eligible Renewable Energy by RPS compliance "bucket" (e.g., in-state, shaped and firmed, and unbundled RECs). Fixed prices shall apply to all the annual volumes shown in Table 8 of the SCPA Bid Workbook. SCP Renewable Energy requirements that are above or below the fixed volumes shall be priced at prevailing market prices for Renewable Energy of that compliance type during the year.
5. Scheduling Coordinator costs shall specify the cents per KWh price of performing this service on behalf of SCPA, exclusive of charges passed through from the CAISO.
6. Prices should not include adjustment for distribution losses, as these shall be determined based on the actual distribution loss factors published by PG&E.
7. All responses for Variation 2 must include a proposal that conforms to Sample Bid Form B. All of the above components must be included in the proposal.
8. Prices must be provided for each year from 2014 through 2016. Prices may optionally be provided for terms beyond 2016, but must also provide annual pricing if offered.

### ***Energy Product Pricing Variation 3 – Alternative Pricing Proposals***

While respondents must use the pricing instructions above for Variation 1 and Variation 2 proposals, respondents are also strongly encouraged to present alternative pricing proposals for each product that the respondent believes would assist SCPA in achieving its goals to supply Renewable Energy to its



customers at competitive rates and maximize EE savings. Proposals that feature combined fixed and indexed prices, caps and collars, ladder hedges, pass-through of certain costs, indexing to the applicable PG&E rates, or other creative pricing proposals are strongly encouraged. The focus should be to minimize risk to SCPA while allowing the provision of competitive rates for SCPA's customers relative to the offered resource mix and bundled rates charged by PG&E. Alternative proposals may also specify mitigation mechanisms for volumetric risk, including those associated with customer opt-outs and participation in the standard tariff and voluntary renewable energy options.

Regarding energy efficiency, SCPA strongly encourages prospective respondents to propose creative solutions that will allow SCPA to maximize EE savings. Such proposals may include structural recommendations for SCPA's EE program, specific EE enhancements that will promote savings within the Sonoma Communities, financing proposals that will utilize/leverage SCPA's tax-exempt borrowing capabilities and/or professional services related to the administration of SCPA's EE program as well as other programmatic elements.

Respondents are encouraged to present proposals that include options for incremental purchases of Renewable Energy and options for partial or full ownership of renewable resources by SCPA. For proposals including options for partial or full ownership of renewable energy resources by SCPA, the respondent will be responsible for all consulting, expert, and legal costs related to compliance with applicable CEQA and NEPA requirements that may result from project development activities. This term will be reflected in the award of any related contract.

Of particular interest are proposals that minimize renewable power supply costs and energy efficiency costs by leveraging SCPA's capability as a public agency to utilize tax-exempt financing to facilitate renewable asset ownership and/or offer EE program incentives. To the extent that SCPA identifies, develops and or controls one or more commercially operable renewable energy facilities during the initial term, SCPA will require the selected energy service provider(s) to effectively integrate/substitute electric energy produced by such facilities in the Program's energy supply portfolio. Proposals that include a significant local Renewable Energy resource element are also strongly encouraged. Respondents may propose a different timeline for achieving SCPA's renewable energy goals if justified by resource availability, availability of tax credits, or other factors affecting cost or other relevant considerations.

Proposals that include a financing component or external sources of funding, other than the offered price of energy, must specify all terms and conditions of such financing and must include a detailed description of the underwriter's

financial, technical and operational capabilities. Proposals that cover any financing costs through incorporation of financing costs into proposed power rates must specify the portion of power rates attributable to the financing costs and specify the underlying financing terms (e.g., assumed principal, interest rate, etc.) upon which the financing cost portion of rates was calculated. SCP will reserve the right to pay off outstanding debts prior to full term. Proposals that include EE or distributed generation must include specific information on the measures or resources being proposed; the timeline for deployment; any subcontractors being relied upon for completion of the work; committed energy savings and the basis for the calculated energy savings; a measurement and evaluation methodology; and the funding mechanism for the EE and/or distributed generation.

## **Projected Energy and Capacity Requirements**

Pursuant to the statutes and regulations governing CCA, every electric customer within the jurisdictional boundaries of the Member Agencies who is offered service would be automatically enrolled in the Program unless the customer affirmatively notifies SCP of its intention to remain a bundled utility customer (opt-out). Service will be offered to all eligible customers, and customers may be enrolled in phases during 2014. The specific phase-in plan and schedule will depend in part upon responses to this RFP and ensuing negotiations with selected suppliers. SCPA may contract for electric supply services for each customer class separately or in combination.

The projected electric load requirements per customer class shown in Table 1 are based on historical SCPA jurisdiction-wide data for December 2011 through November 2012 provided by PG&E. Summary customer load profiles and load projections for the anticipated Delivery Term are contained in the SCPA Bid Workbook. This data is provided for guidance in bidding, but SCPA makes no representations or warranties with respect to the accuracy of this information and there shall be no acceptance of liability or responsibility to any entity resulting from the provision or use of this information.

The figures in Table 1 do not contain any adjustments for anticipated customer opt-outs. The SCPA Bid Workbook contains both unadjusted data and SCPA's projections for accounts, MWh and MW, adjusted for anticipated opt-out rates and participation in the standard tariff and voluntary 100% renewable energy options. Customers currently served under direct access contracts are excluded from the adjusted and unadjusted data, although such customers would also be automatically enrolled unless they explicitly opt-out. Respondents should

consider that the product quantities actually purchased may be different than those shown in Table 1 and the SCPA Bid Workbook.

**Table 1: Potential Retail Sales (pre opt-out, excludes direct access customers)  
Projected for 2014**

*PG&E Service Area*

<b>Customer Class</b>	<b>Accounts</b>	<b>Projected Energy (MWh)</b>
Residential	191,245	1,295,116
Small Commercial.	21,281	368,493
Medium Commercial	2,157	354,911
Large Commercial	528	267,593
Industrial	19	107,566
Agricultural	2,353	60,659
Street Lights	2,916	15,973
<b>Total</b>	<b>220,499</b>	<b>2,470,310</b>

Hourly load profiles per customer class (based on PG&E's tariffs) are available on the PG&E internet web site:

[http://www.pge.com/notes/rates/006f1c4\\_class\\_load\\_prof.shtml](http://www.pge.com/notes/rates/006f1c4_class_load_prof.shtml).

Table 2 provides a mapping of customer class names used in Table 1 to the PG&E customer class profiles/tariffs.

**Table 2: Customer Class Mapping to Static Load Profiles**

<b>Customer Class</b>	<b>PG&amp;E Class Profiles</b>
Residential	E-1, E-7
Small Commercial	A-1, A-6
Medium Commercial	A-10
Large Commercial	E-19
Industrial	E-20
Agricultural	AGRA, AGVA, AG1A, AG4A, AG5A, AG1B, AG4B, AG5B
Street Lights	LS-1, TC-1

## Minimum Renewable Portfolio Requirements

The respondent will be responsible to ensure that its proposal accounts for the percentage of annual retail sales composed of Eligible Renewable Energy to meet the prescribed tariff options established by SCPA. Necessary Eligible Renewable Energy will be determined by SCPA customer choices between the standard tariff option and the voluntary 100% renewable energy content option. Respondents should consider that the volumes of Renewable Energy required by SCPA may vary due to actual customer selection of these service options, and the numbers of customers who opt-in to the 100% renewable energy option before their city joins SCP.

Respondents should bid the following standard tariff renewable energy content for each year of the proposed contract term<sup>1</sup>:

**Table 3: Renewable Energy Content for Standard Tariff Product by Year**

2014	2015	2016	2017	2018
33%	35%	40%	45%	50%

As a condition of contract, suppliers will be required to provide all information necessary for SCPA to demonstrate compliance with the statewide Renewable Portfolio Standards, in accordance with the rules established by the California Public Utilities Commission applicable to Community Choice Aggregators.

## Evaluation Criteria

In addition to the aforementioned minimum proposal requirements (pages 11 - 12), all of which are mandatory, bids will be evaluated based on the following non-exhaustive list of factors:

- Financial viability of respondent and proposed financing plan, including structuring options for tax purposes.
- Operational experience of respondent and of key personnel, including a description of similar services, number of times provided, years of experience and volume of energy supplied; respondents should provide a minimum of three related references with the following information for each reference: organization, name of contact, phone number of contact, title and role of contact and a description of services provided.

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<sup>1</sup> 2017 and 2018 are shown for use in longer term proposals.

- Reliability and environmental attributes of proposed power supply, including the anticipated fuel source(s) associated therewith; preference will be given to respondents that demonstrate supply portfolios with the lowest projected level of total emissions.
- Price - evaluations will be conducted based on resultant Program rates compared to bundled distribution utility rates over the contract term.
- Assistance with start-up activities, bridge funding or flexible invoicing timelines that would minimize initial startup capital.
- Demonstrated understanding of Program requirements through the creativity, responsiveness, and comprehensiveness of the proposal, including discussion of respondent's sustainable business practices.
- Use of local renewable resources.
- Quantifiable demand reductions (e.g. energy efficiency savings, conservation, load interruption, demand response, etc.), as demonstrated by the respondent, will receive strong preference during proposal evaluation.
- Performance guarantees for technologies being proposed and for supplier's obligations contained within its proposal.

SCPA reserves the right to consider other factors than those specified above and to request additional information from respondents as needed to assist in selecting the proposal(s) for further consideration. Through issuance of this RFP, SCPA makes no commitment to any bidder that it will be awarded a contract to provide the solicited services. SCPA reserves the right to discontinue this RFP process at any time for any reason.

## **Financial and Operational Capabilities**

The respondent must provide evidence of financial, technical and operational capabilities for the performance of the requested services.

The respondent or any guarantor must provide the following:

- Audited financial statements from the previous two years or a weblink where such information is accessible.
- If available, a credit rating from two of the following: Standard & Poors, Moody's, or Fitch Investor Services from the most recent rating agency report.

Respondents should provide a plan for financing the acquisition or development of the supply options contained within their proposal, including, if available,

demonstration of access to reasonable levels of performance security commensurate with provision of the requested services.

Respondents should demonstrate their qualifications in providing similar electric services within the CAISO control area.

Respondents should provide references for current and/or prior agreements where the respondent has provided similar services to load serving entities or retail customers, preferably within California.

Respondents should describe any applicable sustainable business practices, policies, or programs it has adopted and adheres to in the conduct of its business operations.

## **Respondent Proprietary Information**

Information submitted in response to this RFP will be used by SCPA or its designated representatives, including consultants, solely for the purpose of evaluating the proposal. Proprietary data should be specifically identified on every applicable page of the respondent's proposal; respondents should mark or stamp applicable pages as "Confidential" or "Proprietary." Reasonable care will be exercised so that information clearly marked as proprietary or confidential will be kept confidential, except as required by law or regulatory authority. SCPA and its employees and consultants will not be liable for the accidental disclosure of such data, even if it is marked.

## **Proposal Format**

Proposal information should be organized into the following sections:

Introduction and Executive Summary - Briefly describe respondent's firm, its organization, key personnel, and operations and provide similar information for any third parties that would be relied upon to provide the proposed services.

Description of Proposed Services - Describe the proposed services and power supply sources.

Alternative Proposal(s) (if applicable) - Describe any alternative proposals for electricity pricing (Variation 3) and explain the benefits of the proposed approach to SCPA and its customers.

Financial, Technical, and Operational Qualifications - Demonstrate the respondent firm's financial viability, qualifications, and experience in providing the proposed services. Include supporting financial statements, credit reports, references, description of sustainability practices and other relevant information.

Bid Forms - For Energy Products, complete the bid forms for Variation 1 and Variation 2, as appropriate. Provide similar detail for any alternative pricing proposals offered for Variation 3. Pricing for Data Manager Services shall be a combination of fixed monthly fees and monthly per account fees.

## **Reservation of Rights**

SCPA reserves the right to change the requirements, due dates, and other Program requirements as may be necessary for the development of the overall Program.

## **Proposal Delivery**

Proposals must be received by 2:00 PM Pacific Time on April 5, 2013. Each respondent should provide eight (8) double-sided copies of its proposal at the time of submittal. Receipt by SCPA of an electronic copy by the due date will satisfy this requirement, provided that SCPA receives eight (8) double-sided hardcopies by the close of business two business days following the proposal due date. Copies of the proposal should be sent to the following address:

Sonoma Clean Power Authority  
Request for Proposal Response  
Attention: Cordel Stillman  
404 Aviation Blvd.  
Santa Rosa, CA 95403

Phone: 707-547-1953  
Fax: 707-534-3782  
Email: [cordel.stillman@scwa.ca.gov](mailto:cordel.stillman@scwa.ca.gov)

Prospective respondents planning to attend the optional pre-proposal meeting, which will be held at the address shown above, must pre-register by contacting Cordel Stillman.

Inquiries regarding this RFP may be directed to Cordel Stillman at 707-547-1953. Specific questions about the RFP should be sent via e-mail to [cordel.stillman@scwa.ca.gov](mailto:cordel.stillman@scwa.ca.gov) no later than March 15, 2013. A summary of all written questions received and responses will be sent via e-mail to all firms that have registered to attend the pre-proposal meeting.



# Appendix A

## Sample Bid Form A: Variation 1A - 33% Renewable Energy Content

**Bidder Name:**

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**Pricing Valid Through (Date)**

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**Instructions:**

Bidder must provide prices in cents per kWh for all seven customer classes and for all classes combined.  
Bidder must provide bids for all years through 2016. Additional years may be bid optionally.  
Energy pricing will be evaluated to thousandths of cents per kWh.  
Each of the seven classes will be evaluated independently and may be selected independently.

Customer Classes								
<u>Calendar Year</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Medium Commercial</u>	<u>Large Commercial</u>	<u>Industrial</u>	<u>Agricultural</u>	<u>Street Lighting</u>	<u>All Classes</u>
2014	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2015	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2016	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx

Pricing includes Shaped Energy, Ancillary Services, Distribution Losses, Scheduling Coordination, Resource Adequacy and Renewable Energy.

Optional Premium (cents per kWh) to increase renewable energy content to 50%

<u>Calendar Year</u>	<u>All Classes</u>
2014	x.xxx
2015	x.xxx
2016	x.xxx

Comments (attach separate sheets if necessary):

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**Sample Bid Form A: Variation 1B - 100% Renewable Energy Content**

**Bidder Name:** \_\_\_\_\_

**Pricing Valid Through (Date)** \_\_\_\_\_

**Instructions:**

Bidder must provide prices in cents per kWh for all seven customer classes and for all classes combined.  
 Bidder must provide bids for all years through 2016. Additional years may be bid optionally.  
 Energy pricing will be evaluated to thousandths of cents per kWh.  
 Each of the seven classes will be evaluated independently and may be selected independently.

Customer Classes

<u>Calendar Year</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Medium Commercial</u>	<u>Large Commercial</u>	<u>Industrial</u>	<u>Agricultural</u>	<u>Street Lighting</u>	<u>All Classes</u>
2014	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2015	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2016	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx

Pricing includes Shaped Energy, Ancillary Services, Distribution Losses, Scheduling Coordination, Resource Adequacy and Renewable Energy.

Comments (attach separate sheets if necessary):

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**Sample Bid Form B: Variation 2**

**Bidder Name:** \_\_\_\_\_

**Pricing Valid Through (Date)** \_\_\_\_\_

**Instructions:**

Bidder must provide prices in cents per kWh for all seven customer classes and for all classes combined.  
 Bidder must provide bids for all years through 2016. Additional years may be bid optionally.  
 Renewable energy pricing should reflect the per MWh premium for renewable energy (@100%) above the annual shaped energy cost for All Classes.  
 Energy pricing will be evaluated to thousandths of cents per kWh.  
 Each of the seven classes will be evaluated independently and may be selected independently.

1) Shaped Energy

Customer Classes								
<u>Calendar Year</u>	<u>Residential</u>	<u>Small Commercial</u>	<u>Medium Commercial</u>	<u>Large Commercial</u>	<u>Industrial</u>	<u>Agricultural</u>	<u>Street Lighting</u>	<u>All Classes</u>
2014	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2015	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2016	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx

2) Other Costs

All Classes									
<u>Calendar Year</u>	<u>System-Wide Resource Adequacy (Dollars per kW-Month)</u>	<u>Local Area Resource Adequacy Greater Bay (Dollars per kW-Month)</u>	<u>Local Area Resource Adequacy Other PG&amp;E (Dollars per kW-Month)</u>	<u>Bucket 1 Renewable Energy (Cents per kWh)</u>	<u>Bucket 2 Renewable Energy (Cents per kWh)</u>	<u>Bucket 3 Renewable Energy (Cents per kWh)</u>	<u>Voluntary Renewable Energy (Cents per kWh)</u>	<u>Scheduling Coordination (Cents per kWh)</u>	<u>Ancillary Services and CAISO Fees (est.) (Cents per kWh)</u>
2014	x.xx	x.xx	x.xx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2015	x.xx	x.xx	x.xx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx
2016	x.xx	x.xx	x.xx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx	x.xxx

Comments (attach separate sheets if necessary):

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